

BOARD of SUPERVISORS



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MEMORANDUM

TO: Eric D. Shaw, Director, Mayor's Office of Housing and Community Development
Robert Collins, Executive Director, Rent Board
Ben Rosenfield, City Controller, Controller

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: June 16, 2020

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Preston on June 9, 2020:

File No. 200611

Ordinance amending the Administrative Code to establish the COVID-19 Rent Resolution and Relief Fund, to provide financial support to landlords whose tenants have been unable to pay rent due to the COVID-19 pandemic.

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: erica.major@sfgov.org.

cc: Eugene Flannery, Mayor's Office of Housing and Community Development
Amy Chan, Mayor's Office of Housing and Community Development
Todd Rydstrom, Controller
Peg Stevenson, Controller

[Administrative Code - COVID-19 Rent Resolution and Relief Fund]

Ordinance amending the Administrative Code to establish the COVID-19 Rent Resolution and Relief Fund, to provide financial support to landlords whose tenants have been unable to pay rent due to the COVID-19 pandemic.

NOTE: **Unchanged Code text and uncodified text** are in plain Arial font. **Additions to Codes** are in *single-underline italics Times New Roman font*. **Deletions to Codes** are in *strikethrough italics Times New Roman font*. **Board amendment additions** are in double-underlined Arial font. **Board amendment deletions** are in ~~strikethrough Arial font~~. **Asterisks (* * * *)** indicate the omission of unchanged Code subsections or parts of tables.

Be it ordained by the People of the City and County of San Francisco:

Section 1. Article XIII of Chapter 10 of the Administrative Code is hereby amended by adding Section 10.100-51.1, to read as follows:

SEC. 10.100-51.1. COVID-19 RENT RESOLUTION AND RELIEF FUND.

(a) Establishment of Fund. The COVID-19 Rent Resolution and Relief Fund (the “Fund”) is hereby established as a category eight fund to provide financial support to landlords of residential rental units as defined in Chapter 37 of the Administrative Code whose tenants have been unable to pay rent due to the COVID-19 pandemic.

(b) Use of Fund. The Fund shall be used to provide grants to landlords who have agreed to waive back rent that became due during the COVID-19 state of emergency. The grants shall cover up to 50% of the rent that the landlord has waived, up to \$3,000 per unit per month. Any monies in the Fund that are not expended by December 31, 2022 may be used by the Mayor’s Office of Housing and Community Development (“MOHCD”) for back rent payment and eviction prevention programs.

1 (c) Administration of Fund.

2 (1) Responsible Agency. MOHCD shall administer the Fund, shall develop forms for
3 landlords to use when applying for grants, and may consult with other City agencies such as the
4 Residential Rent Stabilization and Arbitration Board (“Rent Board”). In consultation with the
5 Controller’s Office and any other City agency as MOHCD deems appropriate, the MOHCD Director
6 or the Director’s designee shall adopt rules for the distribution of monies in the Fund consistent with
7 this Section 10.100-51.1. MOHCD shall make these rules available on its website and at its office.

8 (2) Criteria for Disbursement. MOHCD’s rules regarding the distribution of monies
9 from the Fund shall incorporate and develop the following criteria:

10 (A) Eligibility. To be eligible to receive a grant from the Fund, the landlord must
11 submit an application signed under penalty of perjury by both the landlord and the tenant that
12 establishes all of the following: (i) the grant request is based on unpaid rent that initially became due
13 during the COVID-19 state of emergency or up to 60 days thereafter; (ii) the tenant was unable to pay
14 the rent due to COVID-19 related income loss or expenses; (iii) the landlord will waive and fully
15 release the tenant from any obligation to pay rent for the entire period covered by the grant, even
16 though the grant will cover only 50% of the amount owed for that period; and (iv) the tenant still
17 resides in the rental unit and has no present intent to vacate.

18 (B) Priority. To the extent claims exceed available funds, MOHCD shall give priority
19 to small landlords facing hardship. For purposes of this subsection (c)(2)(B), “small landlords” means
20 landlords with 10 or fewer rental units in the City, and “facing hardship” means that the unpaid rent
21 is likely to cause the landlord to become unable to pay mortgage payments, perform other preexisting
22 obligations, or complete necessary repairs at the property. MOHCD may also develop additional
23 criteria and procedures to allocate funds should claims exceed available funds.

24 (3) Outside Consultation. MOHCD may consult with organizations representing the
25 interests of landlords and/or tenants regarding its implementation of this Section 10.100-51.1.

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Section 2. Background.

It is the intent of the Board of Supervisors to appropriate to the COVID-19 Rent Resolution and Relief Fund 50% of the revenues in the General Fund that are generated from any real property transfer tax increase that may be passed by the San Francisco electorate in the November 3, 2020 election, although nothing in this Section 10.100-51.1 requires the City to appropriate any revenues from such real property transfer tax increase for this purpose. The Fund may also receive any legally available monies donated for the purpose set forth in Section 1, including but not limited to other funds appropriated by the Board of Supervisors, funding made available from the federal or State governments, and private donations and grants.

Section 3. Effective Date. This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the Mayor's veto of the ordinance.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: /s/ MANU PRADHAN
Deputy City Attorney

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LEGISLATIVE DIGEST

[Administrative Code - COVID-19 Rent Resolution and Relief Fund]

Ordinance amending the Administrative Code to establish the COVID-19 Rent Resolution and Relief Fund, to provide financial support to landlords whose tenants have been unable to pay rent due to the COVID-19 pandemic.

Existing Law

The City does not currently have a program to award grants to residential landlords whose tenants have been unable to pay rent due to the COVID-19 pandemic.

Amendments to Current Law

The proposed ordinance would create a fund, to be known as the COVID-19 Rent Resolution and Relief Fund, from which the City could provide financial support to residential landlords who have agreed to waive back rent for tenants who were unable to pay their rent during the COVID-19 emergency. If a landlord waived a tenant's rent, the landlord could apply to the City for a grant from the Fund equal to 50% of the amount waived, up to \$3,000 per unit per month. The Mayor's Office of Housing and Community Development (MOHCD) would be in charge of administering the Fund. The Board of Supervisors would still need to appropriate money into the Fund. If the appropriated funds are not enough to cover all claims, MOHCD could prioritize small landlords (those with 10 or fewer units) who are facing hardship due to their tenants' inability to pay rent. Any monies in the Fund that MOHCD that have not been expended by December 31, 2022 would be reallocated to other back rent payment and eviction prevention programs.

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